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DIPLOMATIC AFFAIRS AND INTERNATIONAL LAW, 1913

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War has marked the year 1913; and charges and countercharges as to alleged atrocities by belligerents have been rife. Treaties were drawn to be promptly torn up; and solemn declarations of intention and policy often proved futile. The existence of internal disorder and the outbreak of domestic revolutions in several countries have also exerted disturbing influences on international relations. The result was economic loss and diplomatic tension even well beyond the field of military operations. And these conditions have led to renewed activity in the struggle for concessions and investment in renascent communities. Racial and religious sentiments have also aroused bitter feeling; while political leaders in several countries compel renewed consideration of the weight of individuals in the determination of the world's affairs.

In large part the problems of 1913 were historic; but in part they were affected by apparently impending changes which we cannot as yet define. Thus the influence of socialism and of various forms of radical thought on international relations is a factor. The adoption of oil as a naval fuel, the opening of the Panama Canal, the plans for administrative reorganization of Turkey, and its capitalistic development, the renewed debate as to the Monroe doctrine, and the problem of China are all matters whose future significance scarcely concern us here; but their influence in the past year has been unquestionably great. We cannot estimate as yet the true value of many recommendations touching various fields of international coöperation; and the value of delay in international action still remains in dispute. So on the whole the year 1913 has apparently been the year of the cynic.

Nevertheless a more careful view will emphasize the knowledge of the strong and recent impression so bitterly gained even by non-combatants and by neutrals as well as by belligerents as to the cost of war. The European chancelleries even in the very face of war found a way out of their *impasse* last spring; and the dignity of their combined verdict as to territorial settlements gave way before their mutual jealousies and thus later prevented the risk of treaty revision or of armed intervention. The powerful public opinion of Europe was fundamentally peaceful and today Europe is exhausted as it attempts to digest the events of the year. The economic depression of 1913 and the openings for profitable investment in 1914 are also decided factors making for peace. In this fashion the belief grows that a step has been taken toward the prevention of a great European struggle; at all events the dread of war has increased. In particular out of the events of 1912-13 Anglo-German relations have advanced to a more friendly stage.

Yet the armaments continue to grow. The difficulty of securing the money for them is also increasing; and consequently there is more talk of their limitation. But the main difficulty in checking the growth of armaments is that each power can give its own special reason for an increase; and, unless each power and consequently every associate in any alliance or group of powers can agree to a proportionate reduction and can pledge that money saved in one field of armaments will not be expended in another, no single power dare act alone. This is only natural. For, though the cynic of 1913 has not entirely carried the day, the memory of 1909-13 is the memory of *le fait accompli*.

THE BALKAN WARS AND THE EUROPEAN SITUATION

In January two conferences at London attempted to deal with problems arising from the war of the Balkan allies against Turkey. Both the representatives of the great powers and the delegates of the belligerents failed to secure peace at that time. But on May 30, the treaty of London was signed ending the first Balkan war. In the interval a *coup de main* at Constantinople on January 23

restored to power the Committee of Union and Progress and thus made almost inevitable the renewal of hostilities on February 14. Then on March 6 the Greeks captured Janina; on March 26 Adrianople fell; and Scutari was at last occupied by the Montenegrins on April 22. The intrenchments outside of Constantinople were, therefore, for a time the western outpost of Turkey in Europe. But the Albanian question and disputes between the allies as to the distribution of conquered territory had also become acute.

The Albanian question was already an important factor in December, 1912, while Austria and Russia remained ominously armed. It involved territorial claims by Montenegro, Servian ambitions for a direct Slav outlet to the south, and Greek expansion to the northwest. The religious and racial diversities of this embattled region consequently became pawns in the diplomatic game, as there loomed the larger questions of Austrian and Russian rivalry and of naval and commercial power on the Adriatic and Mediterranean sea-board of Europe. In December the powers had recommended the establishment of an autonomous Albanian state; and, late in March, Austria and Russia agreed on northern and north-eastern frontiers which would include Scutari and Durazzo. But the Montenegrins in the face of an ultimatum of the powers to enforce this decision stated that "they were celebrating Easter, when it was not usual to do business, unless it was of urgent importance." Meanwhile huge sympathetic Slavic demonstrations in Russia also threatened the common policy of the European concert. But an international blockade of Montenegro and a joint occupation of Scutari on May 14 relieved European tension. The delay in drawing the eastern and southern frontiers and the proposal that they should in part at least conform to racial distribution led to military action by Servia and Greece in the autumn in order to extend their ethnological claims. But on December 19 the international Albanian commission of delimitation finished its work; and it is reported that Prince William of Wied is to become the ruler of this new neutral state under international authority. Thus Europe was saved from a greater war although Albania still remains in a disturbed condition.

This solution was however largely responsible for the outbreak of the second Balkan war, since it deprived all the allies save Bulgaria of territories which they had hoped to secure either through *ante bellum* agreement or because of military success. The origin and purpose of the Balkan alliance still remains somewhat obscure; but in these matters may lie the real clue to the general European situation in 1912-13. In any case it is probable in view of very recent statements that the Triple Alliance treaty of 1887 guaranteed compensation to Italy if Austria should acquire Balkan territory. In 1909 the German attitude toward Russia supported the formal annexation of Bosnia and Herzegovina by Austria; and in 1911 Italy began the occupation of Tripoli. This was at a time when German policy as to Morocco and the Congo region was the chief concern of England and France, when the condition of Persia was a decided Russian interest, and when Turkey was facing difficult domestic problems. But it is probable that, within a fortnight after Italy acted, representatives of Bulgaria and Servia under foreign inspiration met in a railway train on October 11 to discuss the first Balkan treaty of alliance.

Already another line of policy had contributed another strong element. This was the secret revival by M. Venezelos of the idea of M. Tricoupis in 1891 of a Greek alliance with Bulgaria. And in Servia in 1908 with the first surge of the revolution at Constantinople there had been a notion of a Balkan confederation, which might then have included Turkey, as a balance against the weight of *Germanentum*; but the character of Young Turk policy in later years checked such an idea. Still Servia as a Slav state continued its friendly relations with Turkey, while it pursued an anti-Austrian diplomacy. Montenegro, already both anti-Austrian and anti-Turkish, sounded Russia both in July and in the autumn of 1911 with a view to economic expansion. Russia, mindful of 1909 was ready to assist a Balkan confederation which might strike toward Vienna or toward Constantinople. If successful against Turkey such a union would in any case check the advance of Austrian influence in Slavic regions. And according to a secret treaty recently printed in *Le Matin*, the authenticity of which has as yet not been denied, Russia agreed with the Balkan allies in

1912 to supply war material, to give information as to Austrian military plans, and to protect the allies against either Turkey or Rumania in case the allies were engaged in war with Austria. Thus in January, 1913, the Balkan confederates were also bound by the secret Serbo-Bulgarian treaty of March 13, 1912, which in particular arranged for the mutual distribution of Turkish territory and by the secret defensive Greco-Bulgarian treaty of May 29, 1912, which became an offensive treaty against Turkey by the secret convention of September 25, 1912, but did not contain provisions as to partition of Turkish territories. The other successive mutual engagements of all the parties to the alliance did not contain any additional political provisions, yet one obscure clause in the convention of September 25 seems to rest on the possibility of the presence in eastern Thrace of Russian troops. Thus the union began from diverse sources and in chronological fashion Greece, Montenegro, Bulgaria, Servia and Russia, each gave its own stimulus for its own purpose. These were some of the contributions to the Czar Ferdinand's "*année énigmatique*."

In view of the precise as well as of the inadequate terms of these treaties the importance of the Albanian solution is apparent. For this international solution, which was forced by Austria, violated the Serbo-Bulgarian arrangements for the distribution of Turkish territory and was a disappointment to Greece and particularly to Montenegro. Thus the treaty of London of May 30, 1913, although it asserted a victorious boundary against Turkey unfortunately also left the allies with difficult problems. And there were additional facts which contributed to the disruption of the Balkan alliance and which affected the general situation. Their dismal summary includes the natural demand for compensation by Rumania, the failure of suggestions as to allotment of Salonika and Kavala to Greece and Bulgaria respectively, and the reservation by the powers of the final distribution of Aegean islands, some of which were still held by Italy as the result of the Tripolitan war against Turkey. The ancient blood soaked soil of the Balkans was also fertile for religious and political jealousies; and in Rumania, Bulgaria and Servia the intense rivalries of domestic leaders reacted sharply at critical moments on the conduct

of national foreign policies. In the Balkans the historical intoxication of military successes and at Constantinople the separate policies of the great European powers made the war of the allies almost inevitable. Even the endeavors of Nicholas II. in early June to prevent war failed. Indeed they contributed to the general result by virtue of their dilatory influence on Bulgarian military action. Thus the attack on Bulgaria by Servia, Greece, Montenegro, and finally by Rumania was successful; and a resilient move by Turkey recovered Adrianople for Islam. These events left the treaty of London somewhat tattered. Therefore in a documentary sense peace in the Balkans rests in large part on the treaty of Bukarest of August 10 which again defined the boundaries to the profit of peaceful Rumania, of Servia and of Greece. Montenegro gained slightly; and Bulgaria gained positively but also in ironic fashion. The treaty of Constantinople of September 29 between Turkey and Bulgaria and the treaty of Athens of November 13 between Greece and Turkey squared the diplomatic circle, as Servia and Montenegro had not been at war with Turkey since last May. Crete finally and officially became Greek on December 14; although the disposition of Aegean islands remained before the councils of Europe. In late December the British government recommended that except for Imbros and Tenedos the islands occupied by Greece should be retained. In the meantime Italy continues in control of those other islands which by the treaty of Lausanne of 1912 were to be restored to Turkey when other terms of that agreement had been fulfilled. At present therefore the powers are in this matter still lacking in what the German and English press have previously termed "a European spirit."

Affecting all these matters there is also the struggle for financial and diplomatic advantage in the development of Asiatic Turkey, of Persia and of Arabia. Armenian reforms and the general administrative reorganization in Turkey involve both the philanthropy and the military science of Europe. For if we can forget the Balkans we must face a new age of anxiety as to eastern Asia.

Arabia has been ample ground for the exercise by England of her local prerogatives for the extension of order in the Persian

Gulf region. Indeed both here and in India and in Egypt the attitude of troubled Muhammadans became an imperial consideration as Great Britain, the largest Muhammadan power, met the sympathetic interest of orthodox Islam in the fortunes of Turkey. But in such a connection English policy also reaches political interests in Persia and as to the Bagdad railway. Even last spring at Berlin negotiations with regard to the railway among Franco-German as well as Turkish and English representatives took a new form and their conclusions will affect the entire Anglo-German problem. Meanwhile in 1913, calamitous conditions in southern Persia, where "not only Government authority but also tribal authority is in complete dissolution" provoked renewed interest in projects as to a trans-Persian railway. The Swedish and American officers in the *gendarmérie* are encountering an increasingly difficult task in trying to restore order in middle Persia, particularly since Great Britain has recently refused to undertake a military movement from India. Therefore, Anglo-Russian relations with regard to Persia have officially stood still; and "optimism as to Persia is not a fashionable malady."

In the Ottoman Empire the concentration of its Asiatic power is still exposed both to local and foreign disruptive forces. It is at times difficult to separate them. But in Syria decentralization and foreign pressure have secured under international authority a reform of the constitution of the Lebanon, which has stood for sixty years. In the villayet of Beirut Arab nationalism and in Anatolia the arrival of many thousands of returning soldiers and exiled officials from Macedonia have compelled foreign interest in plans for administrative supervision by means of a system of foreign inspector-generals in various districts. The degree of their authority may determine the possibility of another series of Armenian massacres. But in the midst of Balkan diplomacy and when the European concert was tried to the utmost separate powers began their special negotiations for concessions. The influence of these measures on the various stages of both Balkan wars and on the European situation is as yet perhaps incalculable. The exact character of the successive Turkish agreements with Russia, Germany and France for railway construction are

not public; nor is Italian interest in a proposed line from Adalia clear. But as a loan to Turkey under French auspices is part of the scheme the extension of French interests in Syria has become apparent. Indeed these matters have already been connected with special French claims in Palestine as to education; and the French navy when in Levantine waters is to resume its observance of Good Friday. The Russian contract for roads in northern Anatolia includes a plan for Armenian reforms. The continuation of German economic undertakings was followed by the appointment of a German military commission to reorganize the Turkish army; and the British Armstrong-Vickers group has just begun the reconstruction of the navy.

Meanwhile in the end of December Austria and Servia are still bickering over tariffs on Servian railways; and the question of the control of the Orient line to Greek Salonika is a subject of important negotiation. But Austria is also helping Bulgaria financially, while a careful plan is under way for better relations with Rumania. The Balkan result is at best a "sort of peace." But all of these separate negotiations illustrate the final idea of the Russian prime minister; "We see no use in setting up groups of powers, one against the other." The Balkan confederation collapsed before its rivalries; an enforced attempt at equilibrium rather than an alliance or a hegemony is the result. So in England and in Russia there was small talk of a French *revanche* against Germany in spite of the recent provocation of the Zabern affair in Alsace-Lorraine. Austrian publicists are disturbed over the failure of Germany to back up some Austrian policies; and in the Adriatic Italy and Austria are not on the best of terms. In other words although the alliances and *ententes* continue, although Tangiers has been internationalized and Spanish friendship for Anglo-French association grows, the power of separate policy is an increasingly important consideration. It may not make for peace; indeed such tendencies in connection with existant treaties might enlarge the possibilities of war. But its fruit may shortly be seen in an understanding between Germany and England, based on the experiences of the year and on the reported renewal in 1913 of negotiations which date back to 1901. Then, on the authority of Sir Valentine Chirol's

significant comment on Count Hayashi's memoirs whose further publication the Japanese government recently prohibited, the German notion for a *rapprochement* with England included an agreement as to American affairs. At Berlin it is reported there was an informal exchange of views last July which later forbade on "moral grounds" the official participation of either England or Germany in the San Francisco Exhibition.

ARMAMENTS AND FINANCE

The first Balkan war gave impetus to increase in European armaments. Thus tax-payers in neutral countries promptly felt an additional financial and personal burden. There had been an enormous shrinkage in values; the money markets were greatly depressed; and in Austria particularly there had been a great loss in trade as people had been hoarding. In Austria there was also the unexpected cost of extensive mobilization. The reaction of these political, military, and economic forces on public opinion and on diplomatic policy was both complex and powerful. Thus within the past two years there have been large additions to the armies of countries officially at peace.¹ In the case of Russia this increase of 75,000 is apparently independent of the regulation of last spring which went into effect in October extending for infantry the three years legal term of service by a quarter of a year. The war office recently stated that this change is "connected with the steps taken by western European powers for increasing the strength of their armies;" and the keeping of the trained three year old soldiers from January to April, together with the arrival of the fresh recruits in October or a little later will add to the army 350,000 for about half the year. The object is to strengthen the army at a time when hitherto it has been weakest, viz: September to April. This policy if extended to other arms under similar conditions should add 85,000. The exceptional position of Russia may enable her to endure this addition without severe strain. For one of the most important facts in the present condition of

¹ Russia, 75,000; Austria-Hungary, 58,505; France, 133,715 (voted) Germany, 38,372 and 136,000 (voted).

world politics is the economic recovery of Russia. Since 1900 her foreign trade returns have nearly doubled, the aggregate value of her manufacturing interests has increased 40 per cent within eight years. The state revenues within five years have increased over 20 per cent; and bank deposits have more than doubled within the same period. Reviving agriculture and an increasing population together with a comparatively quiet internal condition make possible an active political policy. And policy determines armaments.

In the case of Austria-Hungary the cost of military preparations during the first Balkan war was easily over \$75,000,000. It is impossible to refund this cash at once, and, though a complete budget is not as yet available the preliminary statements are most unfavorable. Yet the recent military laws look to an eventual increase in the total number of trained soldiers by over 600,000. The dangerous drain of young men to North America has therefore recently prompted the military authorities to arrest the emigration agent of the Canadian Pacific at Vienna. But neither in the case of Russia nor of Austria do we as yet touch naval expansion.

The plan of the German military law of 1913 was first in the field. Its principle was determined by January, and on March 28 (two days after the capture of Adrianople by the Bulgarians and Servians), it was officially announced that "by reason of the events taking place in the Balkans the balance of European power has been shifted." Consequently it is "our supreme duty" to make our defence "as strong as our population allows." The military law of 1912 was therefore to be hastened in its operation; and the law of 1913 was introduced and soon enacted. Together they change the percentage of the army (at peace strength) from 0.83 to about 1.02 per cent of the population. The new law means that about 63,000 new recruits will be called annually to enjoy, as was said in the Reichstag, "the blessings of military training." We can see the importance of these two laws when we appreciate that their result is an increase almost equal to the total increases specifically provided in the entire series of German military laws, 1873-1911. The cost of the increase of 1913 is at the outset apparently over \$247,000,000 with a recurring annual cost of over \$45,000,000. The result is a levy on property, a *Wehrbeitrag*,

and in addition an increment property tax. Another feature is the raising of the imperial gold war chest from \$30,000,000 to \$60,000,000 and the creation of an additional fund of \$30,000,000 in silver. Prompt mobilization for war and prompt collapse of credit are likely to go hand in hand; and the German army hopes to be ready for both. The general prospect, therefore, is that shortly there will be an addition of more than 2,000,000 trained soldiers in central Europe. These arrangements are among the most important international results of the year.

The French answer to the German increase was in purpose the same but different in method. For the French sacrifice to national defence, in the world as it is, was an additional year of military service. The term is lengthened to three years with incorporation at the age of twenty instead of twenty-one. This will raise the peace strength of the army to 673,000 as against 865,000 in Germany. The immediate cost is estimated at \$186,000,000 with an additional annual cost of \$35,000,000. These proposals came at an unfortunate time for there was already one deficit of nearly \$80,000,000 which had been charged against operations in Morocco where over 75,000 troops are now maintained. In the present confused condition of French finance it is almost impossible to give precise figures but from estimates as recent as December 17, there is probably an additional deficit for 1913 of \$41,000,000; and Senator Gervais, a financial expert, estimates that taking into consideration deficits, ordinary expenditure and the extraordinary military budgets of the next few years \$800,000,000 will be needed to restore French national finance to a sound basis. But it was not entirely this problem which wrecked the recent ministry on December 2. They had proposed an internal loan of \$260,000,000; and they were defeated when they tried to guarantee the immunity of this stock from any future income tax. In the new ministry M. Caillaux proposes an income tax and must in some way finance the three year service act. For the prospect of a two party alignment in France does not touch as yet the issue of national defence.

But in addition to the requirements of France, Russia needs capital for railways, some of the recent belligerents are clamoring

for money, and both in Turkey and China are great concessions to be financed. Furthermore this new French ministry is radical and socialist; and M. Caillaux, the French minister, who was premier at the time of the Agadir *coup* in 1911, is credited by some with a readiness for a *bouleversement des alliances* and certainly for more friendly relations with Germany. These possibilities of the closing days of 1913 suggest that in certain respects the endeavor to "localize" the Balkan struggle failed.

The naval budgets do not on the whole show any such sudden changes as were clear in some of the military budgets. But the compressed figures given below² also represent an annual burden on the taxpayer. And these fleets are likewise instruments of policy, whether defensive or offensive. In any case a variety of international questions, effective or potential, are in close connection with naval armaments. Thus the reconstruction of the Russian navy, the Austrian and Italian position in the Adriatic, the changes in the Aegean and the Mediterranean, British interests in the West Indies, the problem of colonial navies, particularly with reference to Australasian claims for a "white man's Pacific," the possibilities of the Panama Canal, the increasing value of oil as a naval fuel, and the suggestion for a "naval holiday" are all topics of 1913. But by selection we turn to the "naval holiday."

² For comparative purposes these figures are not entirely satisfactory because of the three different financial years of Great Britain, France, and the United States, because of varied minor charges included in some naval budgets and because it has been necessary to take amounts voted for new construction etc. and not amounts expended in a given year in order to secure a common basis. The figures are given in millions of dollars for a financial year starting in 1913.

	GREAT BRITAIN	FRANCE	RUSSIA	GER- MANY	AUSTRIA	ITALY	JAPAN	UNITED STATES
Total naval expenditure.....	235	104	121	115	30	50	48	147
New construction and Armament....	80	44	59	55	16	(a)	17	36

(a) Figures not available. In any case the budget of the Italian army was omitted because Italy had been at war and was still naturally in an abnormal condition. All of the other powers were at peace.

In February and again in October Mr. Churchill renewed his frank suggestion of the coöperation of England and Germany in the reduction of naval expenditure by an agreement to delay for a year the start of certain new ships. The October proposal was that if Germany would postpone for the year the beginning of the construction of two first class ships, England would do the same in the case of four such ships, provided always that if Germany and England united in this policy other powers should be persuaded to stand still in similar fashion. This problem is therefore, an "all-European" one; but in December a resolution approving the idea of a "naval holiday" passed the United States house of representatives by a vote of 317 to 11.

However, in European language such a proposal involved first a "conversation" based on the grouping of the various powers, which in view of recent history is on the whole scarcely a wise possibility. Furthermore the release of money from a naval budget might relieve pressure as to other military preparations or the naval money might be used for fortifications and for increased land forces. Naval power for an island and military strength for a nation with land frontiers cannot easily be reduced to a common equation. At all events there is the possibility of recrimination, of public dispute as to matters which had best be left alone. And in the case of Germany, where the idea met with general disapproval, the present naval law runs to 1920, defining the program which has almost become a contract with naval construction firms, though this aspect should be only a small factor. So far, therefore, the idea is chiefly very interesting.

But in general the past year has seen the allotment of enormous sums for armaments. They have aroused increasing comment; and in a year of financial depression these appropriations have reacted unfavorably on the money market. In connection with other forces the methods of national finance are tending to an increase in direct taxation. This movement even in countries which have not been at war has already laid the operations of diplomacy and the cost of armaments on the desk of the financier and at the door of the man of moderate income. The whole international situation is therefore tending to become of personal

interest to the relatively poor man chiefly on material grounds. The obligation of personal military service is another matter. But the prospects of the immediate future lie with the *bourgeoisie* and the banker, while labor waits.

THE FAR EAST

In China the maintainance of civil authority, foreign policy, and the necessities of finance have been a trinity. Here as elsewhere in 1913 the relation of local and international questions has been marked; and the historic character of the present problem became clear soon after the first meeting of the Chinese parliament last April. For the period of "beautiful repose" began to crumble as the struggle between local authorities and the central government took form last July in the rebellion of the southern provinces against Peking. This revolt was suppressed; and in November President Yuan Shih-Kai became practically dictator.

These movements date, however, to the earlier protest by Dr. Sun Yat-Sen, the radical southern leader, against Russian advance in Mongolia and English influence in Tibet. After the publication of a Russo-Chinese treaty providing for the autonomy of Mongolia with special privileges secured for Russia the Khutuktu of Mongolia and the Dalai Lama of Tibet entered into an alliance on January 21. The Russian treaty was much criticised in China and it was only last October that the terms of the mutual declarations embodying the principles of this treaty were practically determined. Outer Mongolia really becomes a Russian protectorate; but the definition of territory remains for further negotiation. The Tibetan question developed more slowly; but in October at a conference in Simla the English government did not oppose Tibetan autonomy nor Tibetan pecuniary claims against the Chinese government. In the mean time English complaints regarding alleged violation of the opium treaties were frequent. It was asserted that by January 1, 1913, 30,000 chests of opium had accumulated in the treaty ports; and the refusal of the Chinese government to admit \$35,000,000 worth of Indian opium coupled with the illegal growth of native

opium in China caused some irritation. But all of these matters are linked with the question of finance.

A London loan of \$3,750,000 in February was a merely temporary expedient. Dr. Sun Yat-Sen's party in the Chinese Senate attempted to damage President Yuan Shih-Kai by repudiating a loan which he had negotiated in April. This was for \$125,000,000 from the bankers protected by the five powers. Already on March 18 President Wilson had disapproved for the United States the terms of this loan and American participation ended. This breach in the six power *consortium* was followed in September by the withdrawal of Great Britain. Thus this politico-financial syndicate was dissolved. It had lost cohesion and dignity, as international rivalry arose, which sought to profit by Chinese fiscal policies. The period of cosmopolitan finance ended. It dated from 1895 with the dual alliance of the Deutsch-Asiatische and (British) Hongkong and Shanghai Banks. Later France, the United States, Russia and Japan were admitted to the group. However, installments of the \$125,000,000 loan were made; and the five powers can still act together in making loans for general administrative purposes. But the withdrawal of the United States and of Great Britain has left all powers free to support their citizens in financing railroads or in gaining other privileges. The struggle for concessions is therefore at high tide in Peking, while the government is in serious financial difficulty.

The central government must be strong in order to secure money from the provinces; but its immediate power depends to a considerable degree on foreign financial support. But foreign loans may require the hypothecation of revenues, which in default of payment might involve serious political problems. In the case of a concession the problem of protection might become equally grave if another revolution should break out. The United States is therefore interested in straight financial undertakings by investors but is strongly opposed to political meddling by Americans. This policy rests also on the large influence along other lines which Americans have had on recent developments in China to which both British and Russian sources have recently testified. But the general problem tends to lead back to the claims of special

spheres of influence on the part of European powers; and already in December an important railway contract had been granted to an English firm while Germans are to build two other lines.

The relations of China and Japan have been complicated because it was common knowledge that Japanese public opinion was friendly to the southern rebellion. Furthermore Japanese citizens suffered at the capture of Nanking by northern troops. This led to demands for reparation; and only an apology by China ended what threatened in late September to be a serious situation. But the peril of disorder and consequently of foreign protest still continues because of large numbers of irregular troops which have not been disbanded. Japan, however, was first to convey its recognition of the Chinese government when on October 6 Yuan Shih-Kai was elected President for five years. The United States and Mexico had recognized the Republic last spring.

Finally interest returns to the relations of China and Russia which were so important in both their local and international effect at the first of the year. On December 12, the Russian minister proposed the withdrawal of foreign guards now in Pe-chi-li, at Peking and Tientsin; he intimated that Russia was prepared to act alone in the withdrawal of her troops; but it is reported on December 24 that the Chinese government is urging a general agreement by the powers to this effect.

FOREIGN RELATIONS OF THE UNITED STATES

In the United States considerable interest has naturally attached to plans for arbitration; and the secretary of state in April set forth a scheme to preserve international peace. Failing settlement of a controversy by ordinary diplomatic means the matter in dispute was to be laid before a commission and pending its report troops should not be mobilized nor armaments increased by parties to the controversy. So far a large number of favorable replies have been received from various countries and seven treaties embodying this plan have been agreed on. The first with a European government, that with the Netherlands, was determined in December.

Technically the main British difference with the United States, that regarding the Panama Canal tolls, remains as in December, 1912. But in a note of January 17 Mr. Knox argued at length, in reply to the British note of November 14, 1912, that the Panama Canal act of 1912 did not infringe the Hay-Pauncefote treaty and that as yet nothing had taken place which could be submitted to arbitration. The British reply of March 1 maintained that the enactment of the law in itself constituted a discrimination forbidden by the treaty and again proposed arbitration. Since that date no diplomatic correspondence on the subject has been published. And nothing has been said or done to modify the statements of Professor Reinsch in this magazine in his review of diplomatic affairs for 1912. Mr. Joseph H. Choate who was active, when American ambassador in England, in the negotiation of the treaty declared on December 5, 1913, that neither Mr. Hay nor Lord Pauncefote nor he had ever supposed that the treaty could mean anything but that the ships of all nations could pass through the canal on the same terms. Mr. Choate pointed out that if the law stood there would be danger that foreign nations would distrust the willingness of the United States to abide by its treaties. In the meantime on October 11 the London *Times* stated that President Wilson had been convinced "that free tolls for American shipping are a violation of treaty obligations." President Wilson commented that the *Times* was not authorized to speak for him. But on December 23 the chairman of the congressional committee on interstate and foreign commerce introduced a resolution suspending the exemption from tolls for vessels engaged in the coastwise trade of the United States, as provided in the Panama Canal act of 1912, for at least a period of two years. Subsequently this suspension might be annulled by order of the President if in his opinion diplomatic questions relating to vessels using the canal had been adjusted and if the revenues from the canal were not sufficient to defray the cost of maintenance. If this resolution should become operative the diplomatic question might be postponed for some time if not permanently.

Domestic legislation in the United States has stimulated still

another international question. For the relations of the United States and Japan were complicated by Californian legislation as to the acquisition and holding of land. The Japanese government early in April protested to the federal authorities that the passage of a law then pending in California would involve the rights of Japanese as secured by treaty in that it forbade the owning or leasing of land for more than a year by aliens who by law could not be naturalized. The influence of President Wilson and the personal endeavors of the secretary of state secured a modification of the bill but not to a degree satisfactory either to the President or to the Japanese, for the law as signed on May 19, permitted the leasing of land by aliens ineligible to citizenship only for a period of three years. The government at Washington in reply to repeated protests has maintained that the law does not violate the treaty rights of Japanese citizens. In the meantime public opinion in Japan is still incensed, though many expressions of international goodwill have been exchanged. The admirable diplomatic temper shown on both sides is a happy augury. But aside from any question of the relations in the United States of federal authority and state legislation one of the most serious and far-reaching problems of our times is involved. For the rise of Japan and her inevitable claims to equality have given throughout the civilized world an enormous jar to the tradition of the social and political superiority so long claimed by European peoples. We shall be fortunate if, by compromise and mutual restraint, diplomacy can secure an equitable solution of a political question which is fundamentally social. For this is one of those inter-racial issues which in international or intra-imperial form various governments in different parts of the world have been endeavoring to elude. The problem is not made easier for Japan and for the United States in view of impending legislation in the United States as to immigration and because Japan is now enduring social changes of the greatest significance.

Because of the continued disorder in Mexico the American government has faced many delicate problems. In February a revolt against President Madero, accompanied by the desertion of his commander-in-chief, General Huerta, resulted in the estab-

lishment of a new government in Mexico City under General Huerta as provisional president. These steps led to the death of President Madero and many Maderistas. Promptly revolts against the new authority broke out in several provinces and continued throughout the year, with increasing success in the autumn. Financial difficulties due to disorder and to the failure of General Huerta to secure sufficient foreign loans resulted in great losses and a serious banking crisis in December.

The United States has in various forms asked that hostilities should stop, that a president should be constitutionally elected, and that General Huerta should not be a candidate for the presidency. If these conditions were accepted the American government was prepared to use its good offices to gain relief for the immediate financial necessities of the government in Mexico. In any case President Wilson has refused to recognize General Huerta. These proposals have been rejected. An apathetic election took place on October 26 at which, though General Huerta was not a candidate and no president was elected, he was said to have received the most votes. Prior to this 110 members of congress had been arrested by General Huerta's orders. The new congress elected on October 26 decided on December 9 that the presidential election of October 26 was void and declared General Huerta was "president ad interim" until other elections could be held in July, 1914.

The United States has endeavored, at times unsuccessfully, to prevent the importation of arms into Mexico; and in any case the protection of foreigners in Mexico has been a difficult task. With the assistance of the United States many Americans followed its official advice to leave Mexico. And as is usual under similar circumstances the United States has attempted to protect nationals of other states as well as of our own. Warships of other nations gathered in Mexican waters to take their proper part in this matter; but Great Britain, Germany, France, Italy, and probably other nations have recognized the more immediate interests of the United States in the Mexican problem. There does not seem any official basis for questioning the sympathy of European powers in American endeavors to mitigate the difficult circum-

stances of the situation. Indeed because of persistent press reports to the contrary Mr. Asquith, on November 10, said that there had been no friction regarding Mexico between Great Britain and the United States and that there could be no question of British intervention in the domestic affairs of Mexico. But it was perhaps open at almost any time for a foreign power to propose to the United States the landing of marines. Such a step might have involved most serious consequences. The chief fact however is that as yet no American marines have been landed to protect American or other foreign interests. But it is not unlikely that Mexican public opinion and General Huerta himself may have received the notion that American policy was not well supported at home and abroad. This would be natural, if for no other reason than the frequent criticism in the European press at large of President Wilson's policy. In the United States the best public opinion has wisely supported the President.

That policy starts with the declaration by President Wilson that the United States "will never again seek an additional foot of territory by conquest;" its object is the promotion of "orderly procedure of just government based upon law;" and its method is as yet the determination to look with favor first on "those who act in the interest of peace and honor, who protect private rights and respect the restraints of constitutional provisions."

But this policy as regards Mexico is entangled by the apparent lack of satisfactory Mexican leaders in a country sorely in need of rulership, by the existence in Mexico of large foreign financial interests, and by the essential traditions of American diplomatic history. The natural and vital interest of the United States in the constitutional stability and the economic prosperity of Mexico, our closest completely sovereign neighbor, involves also the sovereign right of the United States to decline recognition to a revolutionist who has not been even more than moderately successful. If the premium on revolutionary outbreaks can be removed by showing that a revolutionary chieftain is no longer sure of international recognition unless he can enjoy the support, legally expressed, of a proper proportion of his fellow citizens we shall have advanced a considerable way in aiding the sovereign rights of

Latin-American countries and in the maintenance of the interests of the United States. Under these circumstances the appearance of a test of personal endurance between General Huerta, a man of Indian blood, and President Wilson whose ancestry is Scotch-Irish, is engulfed in larger issues. These may unfortunately compel, in the course of time, the extension of financial pressure by a blockade of Mexican ports, or the collection of Mexican customs by the United States navy, and even the exercise of "*le droit de voisinage*." But hitherto the policy of infinite "patience" and emphatic statement of its underlying material principles have successfully marked the year's diplomacy.

In the meantime greater evidence of the readiness of the United States to secure the application of these principles is shown in the case of Santo Domingo and Nicaragua. A rebellion began in the Dominican Republic in October, 1912. With the assistance of the American minister peace was restored and an orderly election took place on December 15, 1913. In spite of a protest by Santo Domingo American officials as "observers" of the election lent their "moral support" to the Dominican pledge that the elections should be free. The administration of the customs has continued under American authority. In the case of Nicaragua an amended draft of Mr. Knox's rejected treaty was proposed by Mr. Bryan. It was not ratified by the senate; but its general status has apparently improved since last July when some of its novel proposals were strongly opposed. Also as an indication of policy this treaty is important since it provides for an American veto on the declaration of war, on treaties tending to give foreign states control or lodgement on Nicaraguan soil and on the contract of excessive public debt. The United States may intervene to protect the independence of the Republic, to supervise the collection of revenues, and to oversee the expenditure of \$3,000,000, which the United States would pay for exclusive rights in any inter-oceanic canal across Nicaragua together with a ninety-nine year lease of a naval base on the Pacific coast. In other words the principles of the Platt amendment embodied in the Cuban constitution are again proposed, this time at the request of Nicaragua. Honduras and Salvador have declined similar treaties; Costa Rica

fears the limitation of sovereignty involved; and the claim is made that such a treaty would endanger the project of a Central American Union. But under the supervision of the United States a loan of \$2,000,000 by Brown Brothers and Company is planned to aid the government of Nicaragua pending the ratification of the treaty.

LATIN-AMERICAN PROBLEMS

All of these matters touch the varied foreign interests of many countries, which are soon to profit by the opening of the Panama Canal. This is clear to President Wilson as he declared on October 27 that friendly relations with Latin-American states can exist only on terms of equality. "We must prove ourselves their friends by comprehending their interests, whether they square with ours or not. It is a most perilous thing to determine foreign policy in terms of material interest—indeed a degrading thing." He hopes to further government with the consent of the governed and for their benefit, and to protect Latin-American states from those foreign concessionaires, whether American or European, whose domination is "always dangerous and apt to become intolerable." Indeed it is "emancipation from this inevitable subordination that we deem it our duty to assist."

And interest has gathered about the contracts which Lord Cowdray's firm (S. Pearson and Son) through their agent Lord Murray of Elibank (recently Chief Whip of the Liberal party) drew with the governments of Ecuador and Costa Rica. These very generous concessions were chiefly for oil, a naval fuel, which, as Mr. Churchill announced on July 17, was the sole source of energy for 137 English warships either already built or building. This implies that shortly an oil port may be the equivalent of a coaling station; and aside from Trinidad there does not seem at present to be a convenient source of this naval fuel in the British Empire. But the contracts with Ecuador and Costa Rica failed to secure ratification; and in late November Lord Murray withdrew the draft contract for another large concession in Colombia. This was "on account of political conditions which the application developed" and owing in part "to the raising of external ques-

tions." Involved in such a contract was the possibility of the development in the Gulf of Darien of an oil port animated by British capital. And from the head of the Gulf up the course of the Atrato River is a route for an inter-oceanic canal through Colombian territory. Already on February 15 a representative of the United States had urged the Colombian government to recognize the republic of Panama; and for an option on the Atrato route and the privilege of establishing naval stations on two off-shore islands he had mentioned a payment of \$10,000,000. But these negotiations had also failed.

Another phase of an even larger social problem came to the front through the action of Sir Edward Grey in referring to the United States reports as to alleged atrocities in northern Bolivia. The condition of peonage there was reported to be as serious as in the Putumayo case in eastern Peru last year. This general problem arising from the continuance of a system of "forced labor which is akin to slavery" had already led to stringent regulations by the Brazilian government to protect native labor in the service of foreign as well as domestic corporations. But the recurrence of this question and British diplomatic procedure have also raised an important political problem. This is evident in Lord Haldane's recent conception that the Monroe Doctrine "remains to be completed" by the assumption of responsibility by the United States for "securing good government and fair treatment for all those who live and trade" in Latin-America. Certainly President Wilson has not as yet assumed such a responsibility.

INTERNATIONAL CONFERENCES AND INTERNATIONAL LAW

The Institute of International Law met at Oxford in August. A manual of the *Law of Maritime Warfare* was re-drafted and adopted for submission to the governments of the world. This manual assumes that private property is liable to capture at sea; but a second manual is to be prepared based on the assumption of the immunity of such property. A volume is to be published which will contain all the bodies of rules applicable to international law which have been adopted by the Institute since its

foundation in 1873. These rules are now scattered through the various volumes of the *Annuaire*. Unfortunately "representatives of certain nations by reason of events in the East" could not attend the meeting.

These events were perhaps also responsible for what was apparently rather a dull and confusing meeting at The Hague of the International Peace Congress. But the Palace of Peace was dedicated on August 28; and the Congress set forth a comprehensive series of fourteen questions as material for the program of the Third Peace Conference at The Hague. This Conference, proposed for 1914, in view of official statements of the Dutch foreign office on November 26, will probably not meet before 1916 or 1917. The reason given is the difficulties attending the determination of the program. On May 6 The Hague court of arbitration awarded damages amounting to \$32,800 arising from the seizure by Italy of two French steamers during the Turkish-Italian war. An international tribunal for the settlement of pecuniary claims of American and British citizens held its first meeting at Washington on May 13. And throughout the year the Anglo-American committees to arrange for the celebration in 1914 of the centennial of peace between the two nations have been at work.

The International Law Association met at Madrid in October. Resolutions were adopted as to aviation which differ in some respects from the line of discussion at other conferences on this subject. Briefly the theory of full sovereignty by each state in the air space above its territory was accepted; but "subject to this right of subjacent states liberty of passage of air-craft" ought to be open to all. As we recall recent Franco-German incidents, and the last British legislation on this subject these resolutions deserve special consideration.

An international conference on the suppression of the white slave traffic met in London in June; and the governmental conference on measures for promoting safety at sea which met in November in London is still sitting on December 31. The government of the Netherlands has proposed to the United States the convocation of an international commission which, in view of the open-

ing of the Panama Canal, should devise measures to prevent the spread of yellow fever. The proposal was favorably received. Under the auspices of the Carnegie Peace Foundation an important international commission has been investigating the conduct of the last Balkan war; but as yet it has not reported.

At Berne in May a conference of French and German socialist deputies adopted a joint resolution against militarism. The English Trade Union Congress at Manchester in September vigorously approved a German suggestion that an international labor movement could prevent war; and earlier in July the International Congress of Miners at Karlsbad discussed more concretely the idea that by stopping the output of coal war might be stopped. The attempt to lead the delegates to discuss various labor questions and ordinary strikes was frequently checked by the evident main preoccupation of the delegates, which was the prevention of war.